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Subject: Minutes of SMCA Performance Metrics Meeting, 21 May 2009 at Picatinny Arsenal, NJ

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1. Introduction: Col Brooks opened the meeting and introduced Mr. LeGault as the lead for the FY09 SMCA Metrics. Col Brooks stated this meeting is the most important of the Annual Report, SMCA process, as it determines the metrics to be used in the FY09 Annual Report, SMCA.

2. Overview and Administrative Remarks: Mr. LeGault thanked all for making time to participate. He stated that we should ensure the metrics are meaningful and actionable.

3. SMCA Performance Metrics Discussion

a. Acquisition Management: Planning Index

(1) Item Transition Index - Mr. Valentine briefed the Item Transition Index. For FY09, approximately 180 items have been identified for transition. Mr. Valentine stated a possible new metric might be the number of items the EDCA was notified about because they are not transitioning. After some discussion, it was agreed the O/EDCA and PM JS would work to standardize the reporting process to the EDCA (action item 1).

(2) Requirements Stability: Ms. Baden briefed Requirements Stability. Mr. Mazza asked if Military Services should indicate the reason(s) why a plan was not fully funded. He stated there are many factors outside the ammunition community's control

that impact the funding, and he believed it would be beneficial to identify those reasons. There was discussion on whether the reason should be in more detail than was in the FY08 Annual Report, e.g. "The primary reason for variance in all years was reprogramming to meet requirements for the war effort." There was no consensus to include more detail. Mr. Mazza stated the Marine Corps would provide more detail for FY09.

(3) **Customer Resource Timeliness Index:**

(i) Ms. Baden briefed Percent of Funds Received from Military Service within 80 days of the Appropriation Act. Ms. Lukac asked why 80 days; why not another number? It was stated that JCAPP 4 states 80 days. After discussion, it was agreed to send the question of 80 days to the Pricing IPT (action item 2).

(ii) Mr. Dalmasso briefed Percent of Orders Received from Military Service within 80 days of the Appropriation Act. There was consensus to look at this by commodity family and Military Service (action item 3) and possibly include the information in the FY09 Annual Report.

b. Acquisition Management: Contracting Index

(1) Mr. Zoll briefed Technical Data Preparation (TDP). He stated the process at Crane and Hill was not totally accurate as the JMC item managers often go off-line to start the process. There was a question on the TDP process (action item 4). There was consensus to determine if the process in JCAPP 9 was the same for Rock Island Arsenal and Picatinny Arsenal (action item 5).

(2) Ms. Baden briefed the Customer Resource Stewardship Index. Mr. Valentine asked if the index could show how much of the expiring year funds were reprogrammed. During the discussion it was determined that this would be very difficult and at this time not value added due to the difficulty and low percent returned; in FY08, the SMCA returned 1% of FY05 expired dollars to the Military Services.

(3) Ms. Donovan briefed the Average Procurement Administration Lead Time (PALT) Index. There was consensus to not include this in the FY09 Annual Report. Currently, PALT is measured differently at Rock Island Arsenal and Picatinny Arsenal. Additionally, there continues to be a concern on the method Rock Island Arsenal uses to determine PALT.

(4) Mr. Hampton briefed the Customer Delivery Index. There was discussion on the use of re-negotiated Customer Required Delivery Dates (CRDD) and how this may bring the accuracy of the index into question. Mr. Hampton stated JMC has a Lean/Six Sigma Green Belt project reviewing CRDD (action item 6). There was discussion on why CRDD was based on quantity delivered and not number of orders delivered (action item 7). There was consensus to not include the Customer Delivery Index in the FY09 Report, but to retain the 2 CRDD metrics as stand-alone metrics. It was agreed to keep the current metrics, with the use of quantity or orders to be determined based on the results of action items 6 and 7.

c. Production and Industrial Base Management: Product Quality Index

(1) Ms. Johnson briefed the Number of Product Quality Deficiency Reports (PQDRs). There was a question on whether we were capturing all PQDRs. It was

mentioned the Joint Ordnance Commanders Group (JOCG) Quality Assurance subgroup was looking at PQDRs. The O/EDCA will contact the JOCG Secretariat for further information on this (action item 8).

d. Production and Industrial Base Management: Industrial Base Adequacy Index

(1) Mr. DeWulf briefed the Right Size Metric. The information for this metric was provided by a sourcing study done in 2006. The sourcing study is not planned to be redone in FY09, and therefore there will be no current information for this metric. There was consensus to not include this metric in the FY09 Report.

(2) Mr. Cheung briefed Critical Single Point Failure. Mr. Cheung can provide a list of the Critical Single Point Failures to those who need a copy.

(3) Mr. Cheung briefed Organic GOCO Industrial Base Investment Expenditures metric. There was discussion on why there was not a similar metric for GOGOs. Mr. Cheung will research this and provide a response to the group (action item 9).

e. Stockpile Management: Surveillance Program Execution Index

(1) Mr. Berens briefed the Executable Surveillance Funding: Required vs. Actual in Dollars. There was a question on how to access the Munitions History Program (MHP). The link is: <HTTPS://MHP.REDESTONE.ARMY.MIL>. Ammunition Information Notice (AIN) 020-09, Munitions History Program (MHP), Change to Appendix B, SB 742-1 provides information on MHP and is included as enclosure 4. Personnel who belong to Military Services other than the U.S. Army are required to register their CAC cards with AKO www.us.army.mil prior to entering MHP. This is required because the DKO CAC approval system for all systems is not fully functional yet. When DKO becomes fully functional, anyone with a CAC card may access MHP depending on their security level on their card.

f. Stockpile Management: Inventory Characterization Index

(1) Ms. Hudson briefed the Magazine vs. System Accuracy for SMCA Depots. It was requested that the name of this metric be changed, since some of the installations, i.e. McAlester Army Ammunition Plant, are not Depots (action item 10).

g. Stockpile Management: DEMIL Program Execution Index

(1) Mr. Roller briefed the Demilitarization Program Execution Index. Currently the funding measure is shown at the end of the index. It was recommended that the funding measure be placed at the beginning of the index (action item 11). Mr. Roller recommended the metric for demil funding be changed from "green is achieving a stockpile reduction of 6% or greater, red is achieving less than a 6% stockpile reduction" to "green is achieving a stockpile reduction of 3% or greater, red is achieving less than a 3% stockpile reduction". The O/EDCA will work with PM Demil to determine what justifies the change (action item 12). It was recommended that the required, funded and actual amounts be included in order to accurately show the impact to the demil program.

There was consensus to remove the Percent of Stockpile in Demil Account measure. The rationale is that this does not show a true picture of the amount of stock in the demil account, as it compares the percent of stockpile; in short tons; in SMCA installations that

are in the demil account, and that a decrease in serviceable stock could show an increase in demil stock even if the amount of demil stocks did not increase.

There was consensus to add a measure on demil cost per ton, which is currently being used by PM Demil.

h. Distribution Management: Delivery Reliability Index

(1) Mr. Wheat briefed the Delivery Reliability Index. Mr. Wheat recommended changing the name of the "Depot Processing Time" metric to "CONUS On-time Delivery". Mr. Wheat recommended not including the JMC In-house Processing Time metric in the FY09 Annual Report. While this metric is used at JMC, this level of detail is not required in the Annual report. Group consensus was not to include this metric.

4. Attachments:

- a. Agenda
- b. List of attendees
- c. Action item list. Please ensure Mr. Risner is included in all correspondence relating to action items.

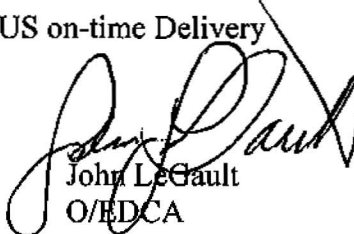
Note: The briefing charts that were used during the meeting are on the metrics page of the O/EDCA website (<http://www.amc.army.mil/edca/>).

5. Deleted Metrics: The following FY08 metrics will not be included in FY09 Annual Report

- a. Average Procurement Administration Lead Time (PALT) Index.
- b. Customer Delivery Index will not be included. The 2 CRDD metrics will be retained as stand-alone metrics.
- c. Right Size Metric.
- d. Percent of Stockpile in Demil Account.
- e. JMC in House Processing Time.

6. New Metrics: The following are proposed new or changed metrics for FY09. Each proposal or change will require additional research and vetting before being added as a FY09 SMCA performance metric.

- a. Demil Cost per Ton
- b. Depot Processing Time changed to CONUS on-time Delivery


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